Form 3160-3 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

5. Lease Serial No. UTU-74494

0	0	1

APPLICATION FOR PERMIT TO DRILL OR REENTER

6. If Indian, Allottee or Tribe Name

1a. Type of Work: ☑ DRILL ☐ REENTER	CONFIDENTIAL	7. If Unit or CA Agreement, Name WHITE RIVER	and No.
lb. Type of Weil: ☐ Oil Well ☐ Gas Well ☐ Oth	ner 🔀 Single Zone 🔲 Multiple Zone	8. Lease Name and Well No. OU GB 3W-9-8-22	
	JOHN BUSCH E-Mail: jbusch@shenandoahenergy.com	9. API Well No. 43-047-3476	3
3a. Address 11002 E. 17500 S. VERNAL, UT 84078	3b. Phone No. (include area code) Ph: 435.781.4341 Fx: 435.781.4323	10. Field and Pool, or Exploratory WHITE RIVER	
At surface NENW 660FNL 2314FWL At proposed prod. zone	ince with any State requirements.*) 4444524 Y 40, 14254 632312 X - 109, 44679	11. Sec., T., R., M., or Blk. and Su Sec 9 T8S R22E Mer SLE	•
14. Distance in miles and direction from nearest town or post of 11 +/- MILES SOUTHWEST OF REDWASH, UT	office* FAH	12. County or Parish UINTAH	13. State
 Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig. unit line, if any) 660' +/- 	16. No. of Acres in Lease 576.02	17. Spacing Unit dedicated to this 40.00	well
 Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. 1500' +/- 	19. Proposed Depth 8325 MD 8325 TVD	20. BLM/BIA Bond No. on file UT-1237	
21. Elevations (Show whether DF, KB, RT, GL, etc. 5164 KB	22. Approximate date work will start	23. Estimated duration 10 DAYS	
	24. Attachments		

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
 3. A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- 4. Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

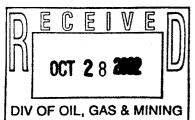
25. Signature John Bussel	Name (Printed/Typed) JOHN BUSCH	Date 10/24/2002
Title OPERATIONS Approved (V (Signature)	Nome (Drinted/Typed)	15
The The Transfer of the Transf	Name (Printed/Typed) BRADLEY G. HILL	Mot-02
	Offenvironmental scientist III	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

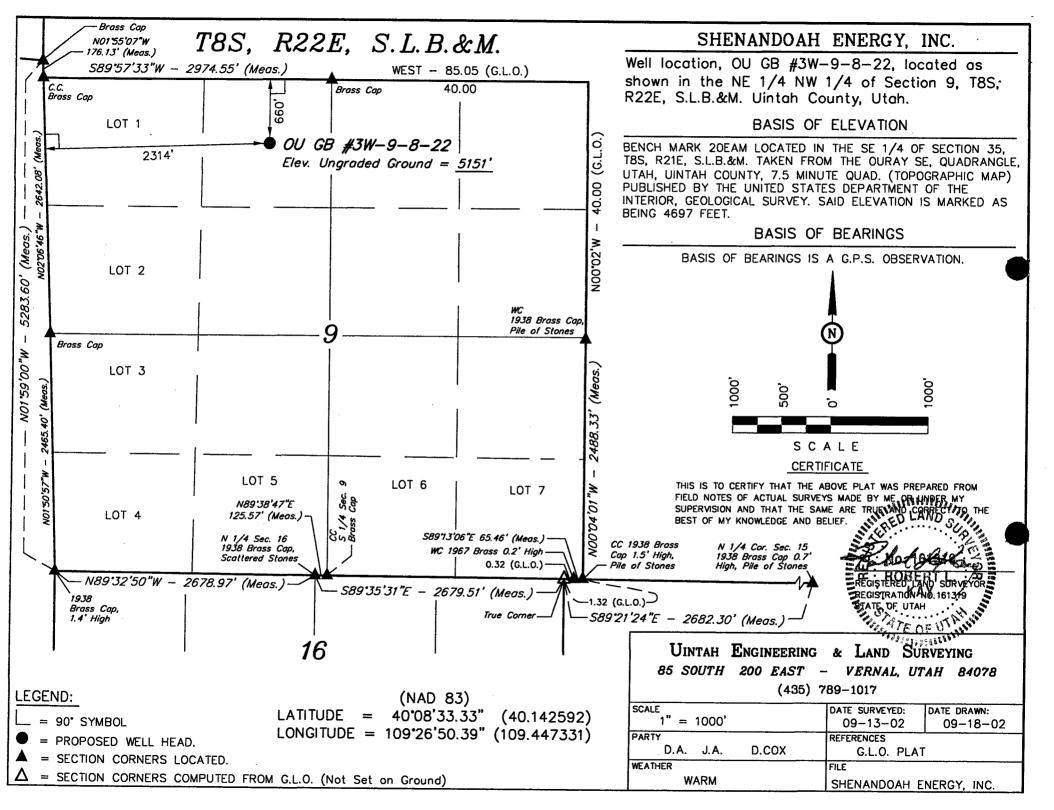
Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)



Electronic Submission #14916 verified by the BLM Well Information System For SHENANDOAH ENERGY INC., sent to the Vernal

`ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL ** ORIGINAL **



SHENANDOAH ENERGY INC. OU GB 3W-9-8-22

ONSHORE OIL & GAS ORDER NO. 1 Approval of Operations on Onshore Federal Oil and Gas Leases

All lease and/or unit operations will be conducted in such a manner that full compliance is made with applicable laws, regulations (43 CFR 3100), Onshore Oil and Gas No. 1, and the approved plan of operations. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished the field representative to insure compliance.

1. Formation Tops

The estimated tops of important geologic markers are as follows:

Formation	Depth
Uinta	Surface
Green River	2889
Mahogany Ledge	3904
Mesa	6454
TD (Wasatch)	5150

2. Anticipated Depths of Oil, Gas, Water and Other Mineral Bearing Zones

The estimated depths at which the top and bottom of the anticipated water, oil, gas or other mineral bearing formations are expected to be encountered are as follows:

Substance	Formation	Depth
Oil/Gas	Wasatch	5150

All fresh water and prospectively valuable minerals encountered during drilling, will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

All water shows and water-bearing sands will be reported to the BLM in Vernal, Utah. Copies of State of Utah form OGC-8-X are acceptable. If no flows are detected, samples will be submitted to the BLM along with any water analyses conducted.

3. Anticipated Bottom Hole Pressures

Maximum anticipated bottom hole pressure equals approximately 2060.0 psi.

SHENANDOAH ENERGY INC. **OVER AND UNDER GLEN BENCH 3W-9-8-22** 660' FNL, 2314' FWL **NENW, SECTION 9, T8S, R22E UINTAH COUNTY. UTAH LEASE # UTU-74494**

ONSHORE ORDER NO. 1

MULTI - POINT SURFACE USE & OPERATIONS PLAN

An onsite inspection was conducted for the OU GB 3W-9-8-22 on October 22, 2002 at approximately 12:45 PM. Weather conditions were mostly cloudy with a light breeze at the time of the onsite. In attendance at the inspection were the following individuals:

Byron Tolman

Bureau of Land Management

Dixie Sadlier

Bureau of Land Management

Stephanie Howard Bureau of Land Management

Jan Nelson

Shenandoah Energy Inc.

Raleen Searle

Shenandoah Energy Inc.

Existing Roads:

The proposed well site is approximately 10 miles southwest of Red Wash, Utah.

Refer to Topo Maps A and B for location of access roads within a 2 – mile radius.

There will be no improvements made to existing access roads.

2. Planned Access Roads:

Please see Shenandoah Energy Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

Refer to Topo Map B for the location of the proposed access road.

3. Location of Existing Wells Within a 1 – Mile Radius:

Please refer to Topo Map C.

Location of Existing & Proposed Facilities:

Please see Shenandoah Energy Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

Refer to Topo Map D for the location of the proposed pipeline.

5. Location and Type of Water Supply:

Please see Shenandoah Energy Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

6. Source of Construction Materials:

Please see Shenandoah Energy Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

7. Methods of Handling Waste Materials:

Please see Shenandoah Energy Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

8. Ancillary Facilities:

Please see Shenandoah Energy Inc. Standard Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 to 24 East.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

A pit liner is required.

10. Plans for Reclamation of the Surface:

Please see Shenandoah energy Inc. Standard Operating Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Township 07 and 08 South, Ranges 21 to 24 East.

Seed mix #4.

11. Surface Ownership:

The well pad and access road are located on lands owned by:

Bureau of Land Management 170 South 500 East Vernal, Utah 84078 (435) 781-4400

12. Other Information

A Class III archaeological survey was conducted by Montgomery Archaeology Consultants. A copy of this report was submitted directly to the appropriate agencies by Montgomery Archaeology Consultants. Cultural resource clearance was recommended for this location.

Lessee's or Operator's Representative:

John Busch
Red Wash Operations Rep.
Shenandoah Energy Inc.
11002 East 17500 South
Vernal, Utah 84078
(435) 781-4341

Certification:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil & Gas Orders, the approved plan of operations, and any applicable Notice to Lessees.

Shenandoah Energy Inc. will be fully responsible for the actions of their subcontractors.

A complete copy of the approved Application for Permit to Drill will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by Shenandoah Energy Inc. its' contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

_loh_Burch	24-Oct-02
John Busch	Date
Red Wash Operations Representative	

Additional Operator Remarks:

Shenandoah Energy Inc. proposes to drill a well to 8325' to test the Wasatch. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

Please see Shenandoah Energy Inc. Standard Operating Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 and 24 East.

See Onshore Order No. 1 attached

Please be advised that Shenandoah Energy Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No. UT-1237. The principal is Shenandoah Energy Inc. via surety as consent as provided for the 43 CFR 3104.2.

SHENANDOAH ENERGY, INC.

OU GB #3W-9-8-22

LOCATED IN UINTAH COUNTY, UTAH **SECTION 9, T8S, R22E, S.L.B.&M.**

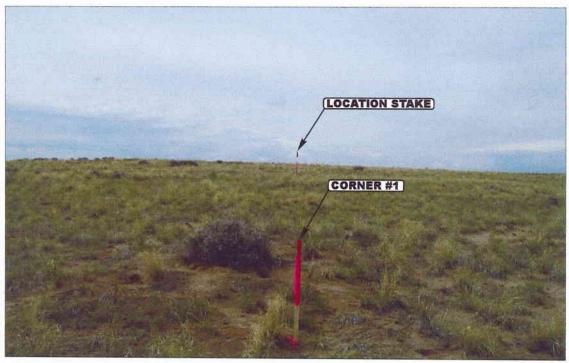


PHOTO: VIEW FROM CORNER #1 TO LOCATION STAKE

CAMERA ANGLE: WESTERLY

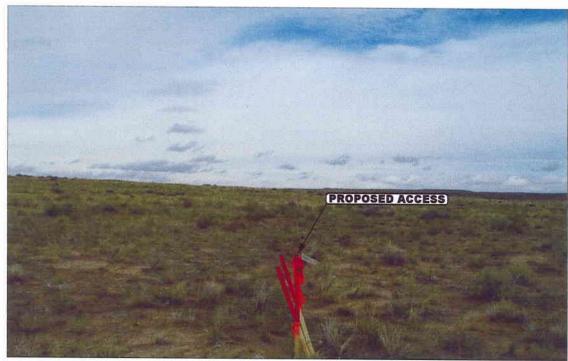


PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



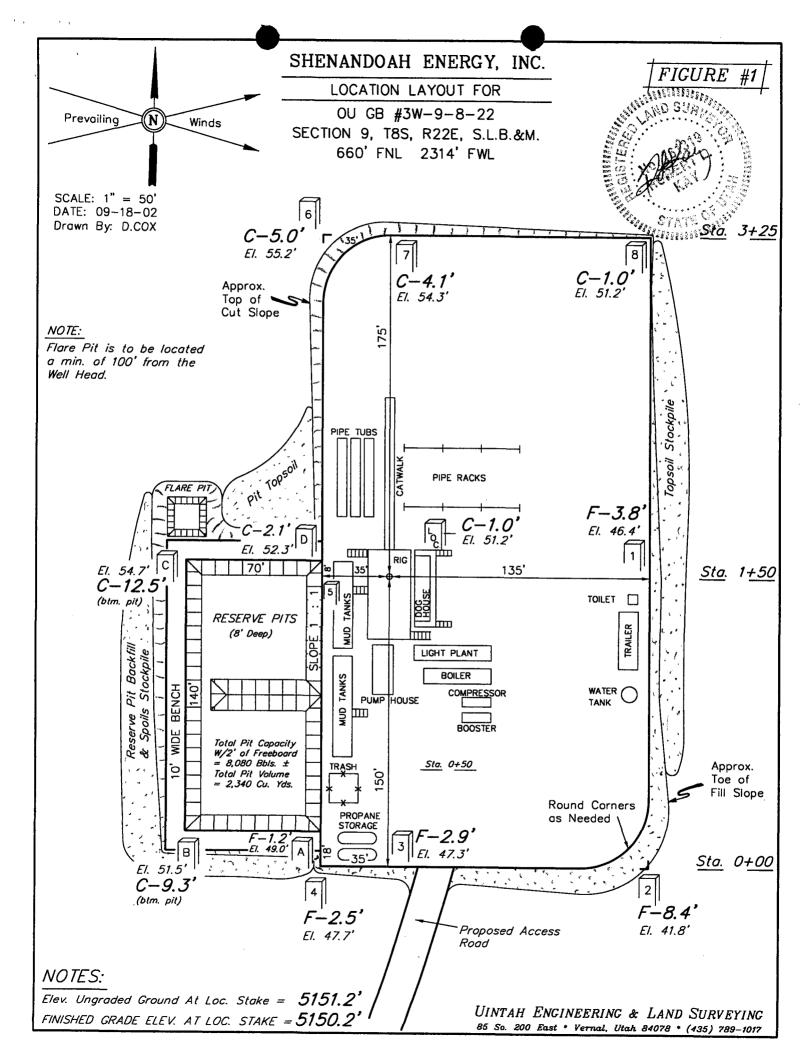
Uintah Engineering & Land Surveying 85 South 200 East Vernal, Utah 84078 435-789-1017 uels@uelsinc.com

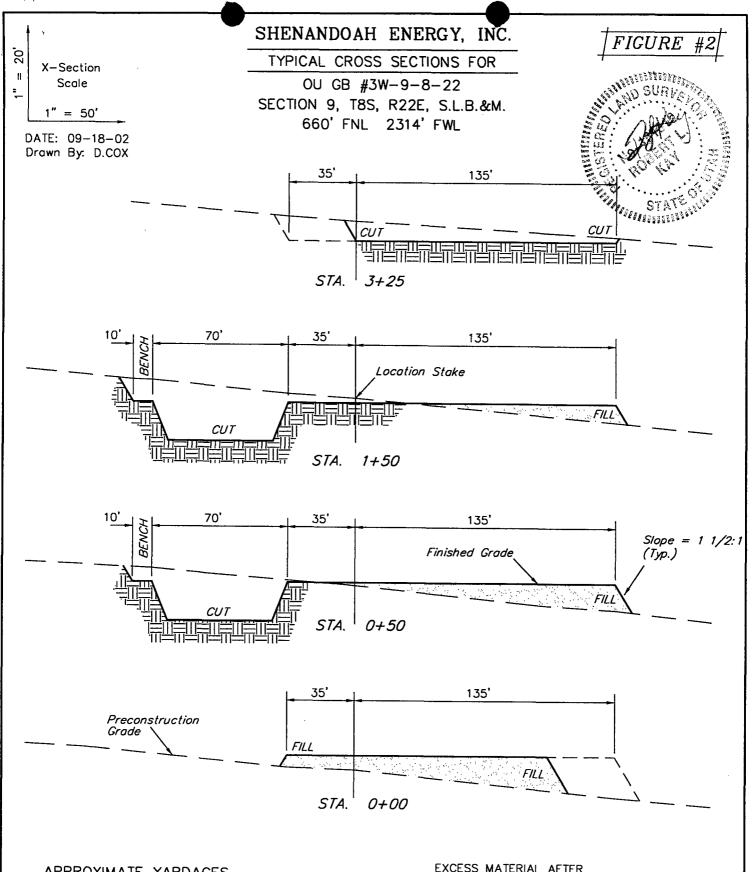
LOCATION PHOTOS

MONTH DAY YEAR

РНОТО

TAKEN BY: D.A. | DRAWN BY: P.M. | REVISED: 00-00-00





APPROXIMATE YARDAGES

(6") Topsoil Stripping = 1,260 Cu. Yds. Remaining Location = 4,770 Cu. Yds.

> TOTAL CUT 6,030 CU.YDS.

> FILL 3,420 CU.YDS.

EXCESS MATERIAL AFTER

5% COMPACTION = 2,430 Cu. Yds.

Topsoil & Pit Backfill

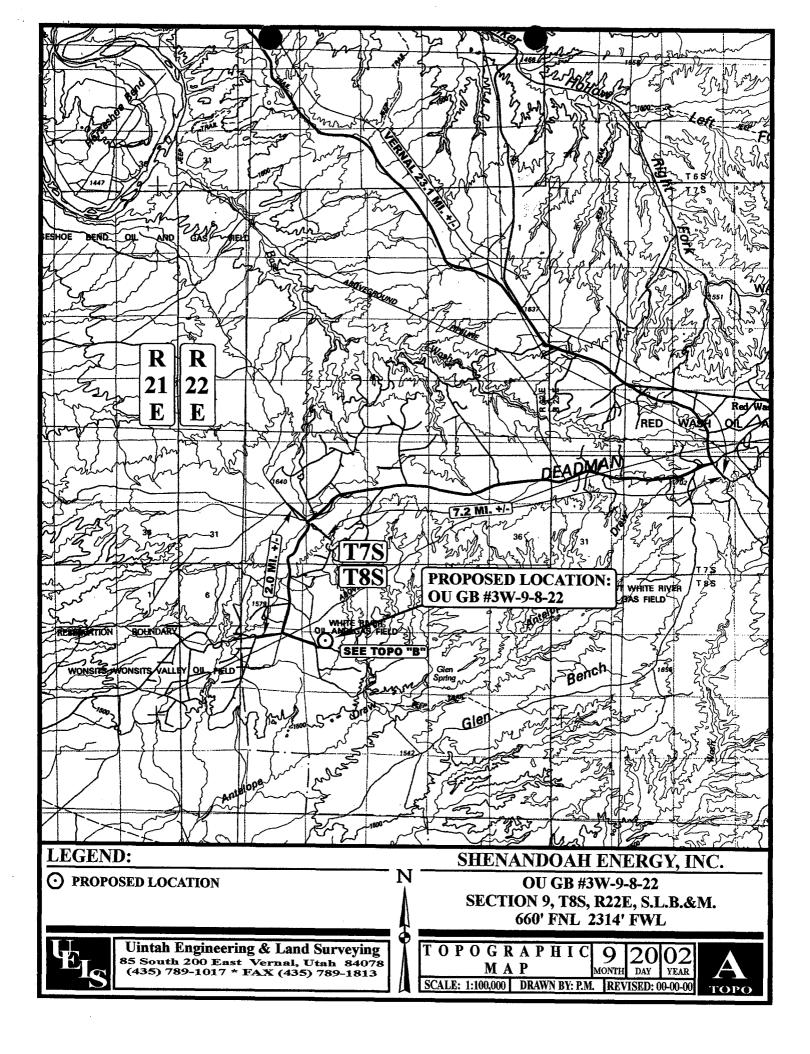
= 2,430 Cu. Yds.

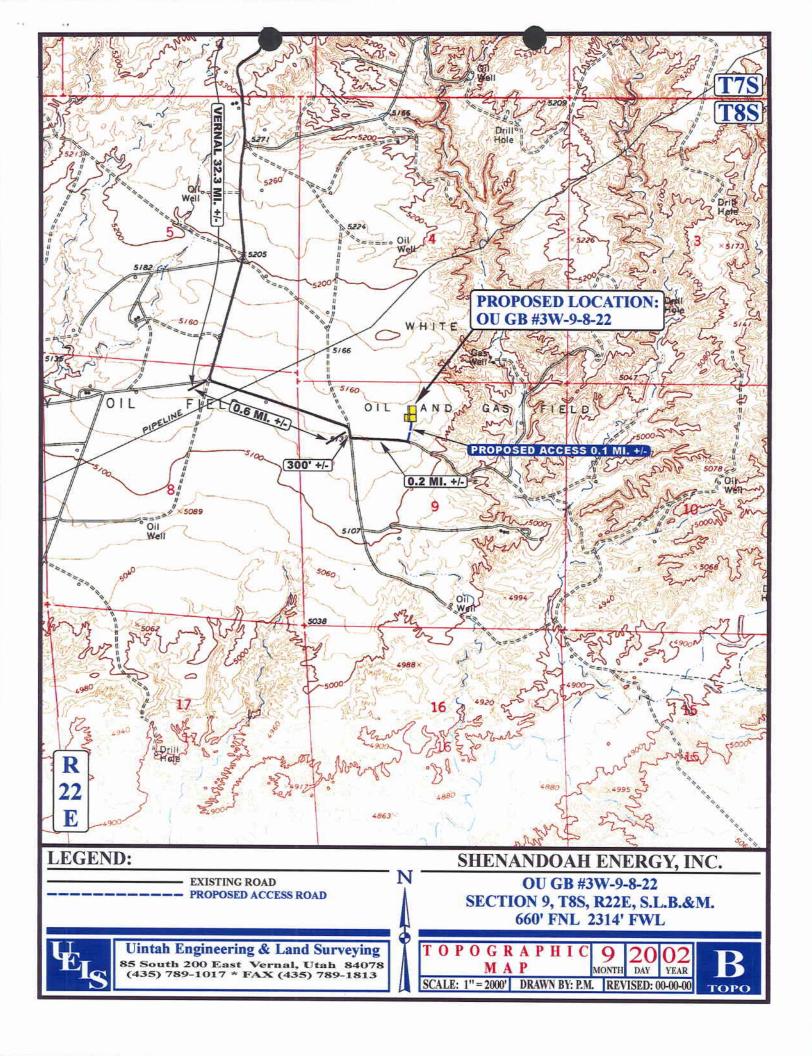
(1/2 Pit Vol.)

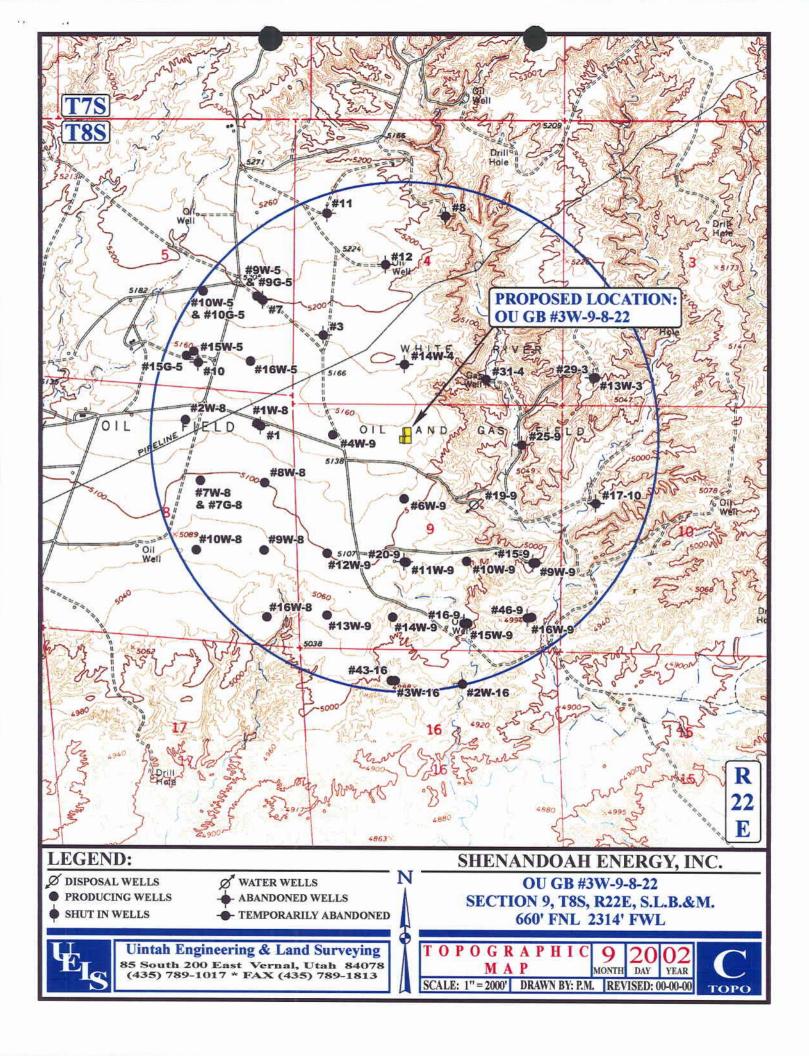
EXCESS UNBALANCE O Cu. Yds.

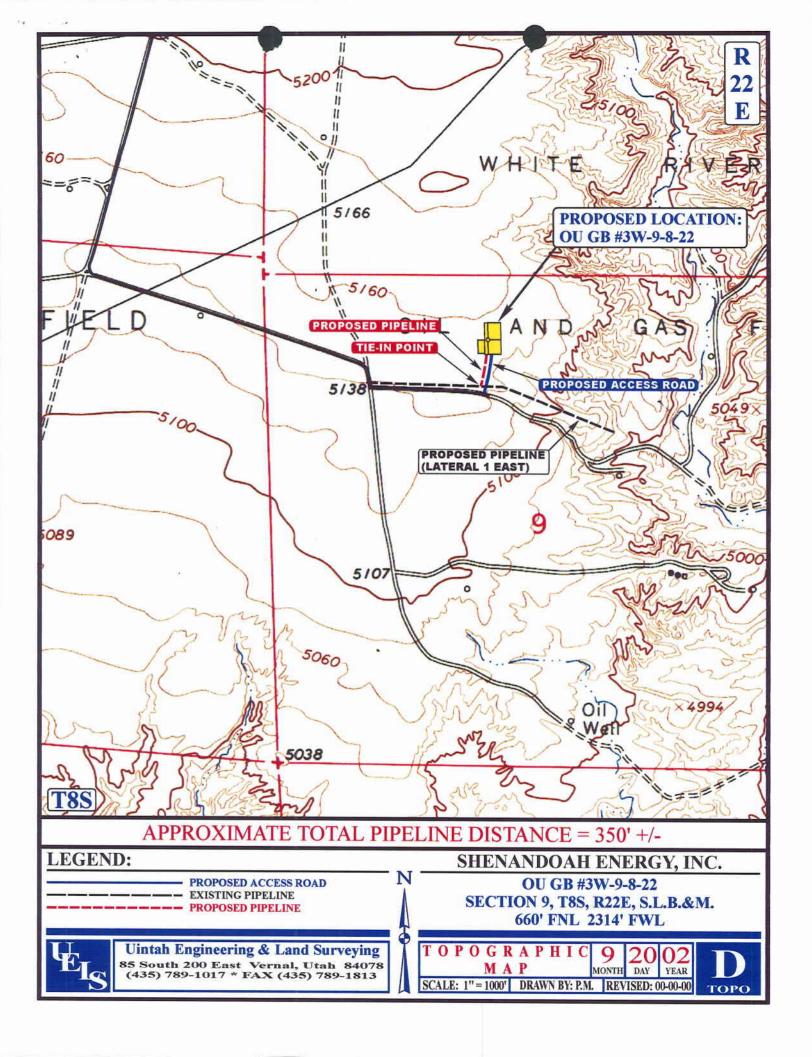
(After Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING 85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



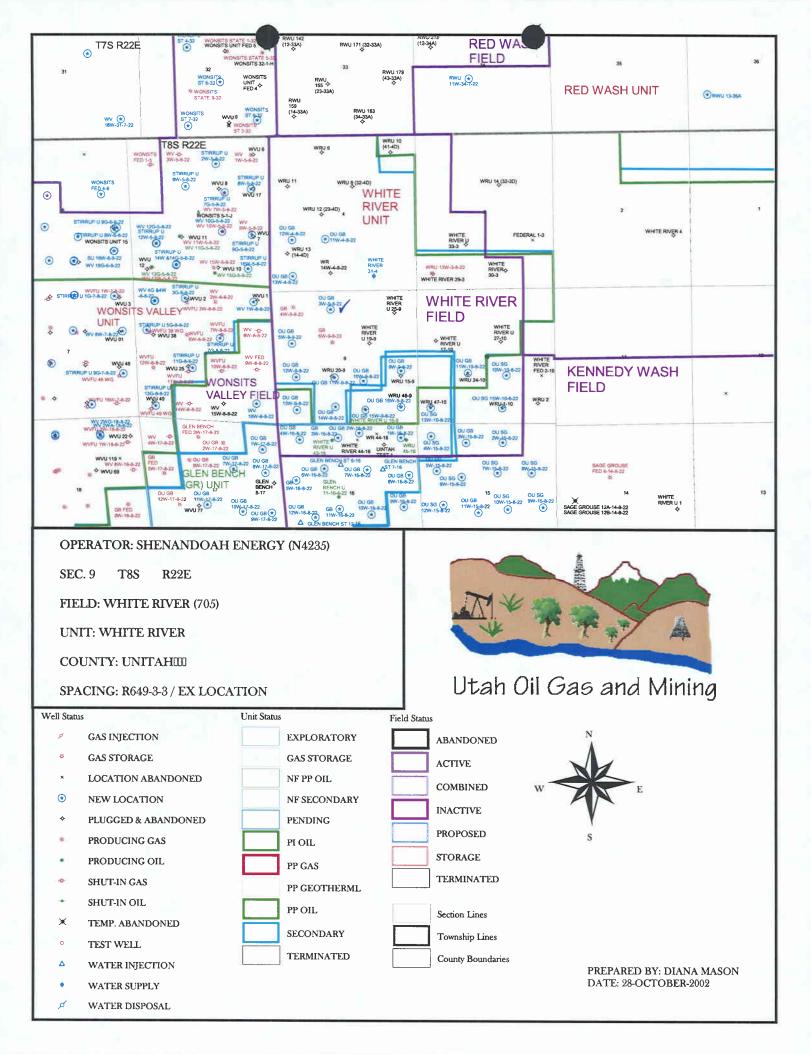






WORKSHEET APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 10/28/2002	API NO. ASSIGNE	D: 43-047-3476	53
WELL NAME: OU GB 3W-9-8-22 OPERATOR: SHENANDOAH ENERGY INC (N4235) CONTACT: JOHN BUSCH	PHONE NUMBER: 43	5-781-4341	
PROPOSED LOCATION:	INSPECT LOCATN	BY: / /	
NENW 09 080S 220E SURFACE: 0660 FNL 2314 FWL	Tech Review	Initials	Date
BOTTOM: 0660 FNL 2314 FWL UINTAH	Engineering		
WHITE RIVER (705)	Geology		
LEASE TYPE: 1 - Federal LEASE NUMBER: UTU-74494	Surface		
SURFACE OWNER: 1 - Federal	LATITUDE: 40.14	1254	
PROPOSED FORMATION: WSTC	LONGITUDE: 109.4	14679	
RECEIVED AND/OR REVIEWED: Plat Bond: Fed[1] Ind[] Sta[] Fee[] (No. UT-1237) N Potash (Y/N) N Oil Shale 190-5 (B) or 190-3 or 190-13 Water Permit (No. 43-8496) N RDCC Review (Y/N) (Date:) N Fee Surf Agreement (Y/N)	R649-3-3. E Drilling Uni Board Cause Eff Date: Siting:	eneral com Qtr/Qtr & 920' xception t No:	
comments: Sop, Seperate file stipulations: 1- federal approva p a-Spacing Stip			



SHENANDOAH ENERGY INC.

11002 East 17500 South Vernal, UT 84078 Phone: (435) 781-4300 Fax (435) 781-4329

October 30, 2002

Division of Oil, Gas & Mining 1594 W. N. Temple STE 1210 Salt Lake City, UT 84114-5801

To Whom It May Concern:

In reference to the State Oil and Gas Conservation rule R649-3-3 Shenandoah Energy Inc. OU GB 3W-9-8-22 is an exception to this rule. Location had to be moved to avoid being in an existing pipeline right of way.

There are no additional lease owners with 460' of the proposed location. If you have any question please contact Raleen Searle @ (435) 781-4309.

Thank you,

Raleen Searle

Regulatory Affairs Analyst

RECEIVED

OCT 3 1 2002

DIVISION OF OIL, GAS AND MINING



Michael O. Leavitt Governor Robert L. Morgan Executive Director Lowell P. Braxton

Division Director

1594 West North Temple, Suite 1210 PO Box 145801 Salt Lake City, Utah 84114-5801 (801) 538-5340 telephone (801) 359-3940 fax (801) 538-7223 TTY www.nr.utah.gov

November 4, 2002

Shenandoah Energy Inc. 11002 E 17500 S Vernal, UT 84078

Re:

Over and Under Glen Bench 3W-9-8-22 Well, 660' FNL, 2314' FWL, NE NW, Sec. 9, T. 8 South, R. 22 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann.§ 40-6-1 et seq., Utah Administrative Code R649-3-1 et seq., and the attached Conditions of Approval, approval to drill the referenced well is granted.

Appropriate information has been submitted to DOGM and administrative approval of the requested exception location is hereby granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-34763.

Sincerely,

John R. Baza

Associate Director

pb

Enclosures

cc:

Uintah County Assessor

Bureau of Land Management, Vernal District Office



Operator:	Shenandoah Energy Inc.		
Well Name & Number_	Number Over and Under Glen Bench 3W-9-8-22		nch 3W-9-8-22
API Number: 43-047-34763			
Lease:	UTU-74494		
Location: NE NW	Sec. 9	T. 8 South	R. 22 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

- 4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.
- 5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

Form 3160-3 (August 1999)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB No. 1004-0136 Expires November 30, 2000

5.	Lease Serial No.	
	UTU74494	

6. If Indian, Allottee or Tribe Name

006

APPLICATION FOR PERMIT TO DRILL OR REENTER

<u> </u>			
1a. Type of Work: ☑ DRILL ☐ REENTER	CONFIDENTIAL	7. If Unit or CA Agreement, Name UTU63021F	and No.
1b. Type of Well: ☐ Oil Well Gas Well ☐ Oth	ner Single Zone Multiple Zone	8. Lease Name and Well No. OU GB 3W-9-8-22	
2. Name of Operator Contact: SHENANDOAH ENERGY INC	JOHN BUSCH E-Mail: john.busch@questar.com	9. API Well No. 43-047-3	4763-00-X
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078-8526	3b. Phone No. (include area code) Ph: 435.781.4341 Fx: 435.781.4323	10. Field and Pool, or Exploratory WHITE RIVER	
4. Location of Well (Report location clearly and in accorda	nce with any State requirements.*)	11. Sec., T., R., M., or Blk. and Sur	vey or Area
At surface NENW 660FNL 2314FWL	Sec 9 T8S R22E Mer SLB		
At proposed prod. zone			
14. Distance in miles and direction from nearest town or post of 11 +/- MILES SOUTHWEST OF REDWASH, UT		12. County or Parish UINTAH	13. State UT
15. Distance from proposed location to nearest property or lease line, ft. (Also to nearest drig, unit line, if any)	16. No. of Acres in Lease	17. Spacing Unit dedicated to this v	vell
660' +/-	576.02	40.00	
18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft.	19. Proposed Depth	20. BLM/BIA Bond No. on file	
1500' +/-	8325 MD 8325 TVD	UT1237	_
21. Elevations (Show whether DF, KB, RT, GL, etc. 5164 KB	22. Approximate date work will start	23. Estimated duration 10 DAYS	

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No. 1, shall be attached to this form:

- 1. Well plat certified by a registered surveyor.
- 2. A Drilling Plan.
- A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office).
- Bond to cover the operations unless covered by an existing bond on file (see Item 20 above).
- Operator certification
- Such other site specific information and/or plans as may be required by the authorized officer.

25. Signature (Electronic Submission)	Name (Printed/Typed) JOHN BUSCH	Date 10/24/2002
Title OPERATIONS		
Approved by (Signature) (Electronic Submission)	Name (Printed/Typed) ED FORSMAN	Date 12/04/2002
Title ACTING AFM FOR MINERAL RESOURCES	Office Vernal	

Application approval does not warrant or certify the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Conditions of approval, if any, are attached.

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Additional Operator Remarks (see next page)

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Electronic Submission #14916 verified by the BLM Well Information System For SHENANDOAH ENERGY INC, sent to the Vernal

DEC 0 4 2002

Committed to AFMSS for processing by LESLIE WALKER on 10/25/2002 (03LW0212AE)

DEO 0 1 2002

email

DIVISION OF OIL, GAS AND MINING

** REVISED ** REVISED ** REVISED ** REVISED ** REVISED ** REVISED **

Additional Operator Remarks:

Shenandoah Energy Inc. proposes to drill a well to 8325' to test the Wasatch. If productive, casing will be run and the well completed. If dry, the well will be plugged and abandoned as per BLM and State of Utah requirements.

Please see Shenandoah Energy Inc. Standard Operating Practices for Wasatch Formation Wells located in Red Wash, Wonsits Valley, Gypsum Hills, White River, Glen Bench, and undesignated fields in Townships 07 and 08 South, Ranges 21 and 24 East.

See Onshore Order No. 1 attached

Please be advised that Shenandoah Energy Inc. agrees to be responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond coverage for this well is provided by Bond No. UT-1237. The principal is Shenandoah Energy Inc. via surety as consent as provided for the 43 CFR 3104.2.

Revisions to Operator-Submitted EC Data for APD #14916

Operator Submitted

UTU-74494

Agreement:

WHITE RIVER

Operator:

Lease:

SHENANDOAH ENERGY INC.

11002 E. 17500 S. VERNAL, UT 84078 Ph: 435.781.4341 Fx: 435.781.4323

Admin Contact:

JOHN BUSCH OPERATIONS 11002 E. 17500 S. VERNAL, UT 84078 Ph: 435.781.4341 Fx: 435.781.4323

E-Mail: jbusch@shenandoahenergy.com

Tech Contact:

Well Name: Number: OU GB 3W-9-8-22

Location:

State:

County: S/T/R: Surf Loc:

UINTAH Sec 9 T8S R22E Mer SLB NENW 660FNL 2314FWL

Field/Pool:

WHITE RIVER

Bond:

UT-1237

BLM Revised (AFMSS)

UTU74494

UTU63021F

SHENANDOAH ENERGY INC

11002 EAST 17500 SOUTH VERNAL, UT 84078-8526 Ph: 435.781.4300

Fx: 435.781.4329

JOHN BUSCH OPERATIONS 11002 EAST 17500 SOUTH VERNAL, UT 84078-8526 Ph: 435.781.4341 Fx: 435.781.4323

E-Mail: john.busch@questar.com

OU GB 3W-9-8-22

UINTAH

Sec 9 T8S R22E Mer SLB NENW 660FNL 2314FWL

WHITE RIVER

UT1237

COAs Page 1 of 3 Well No.: OU GB 3W-9-8-22

CONDITIONS OF APPROVAL APPLICATION FOR PERMIT TO DRILL

Company/Operator:	Shenandoah Energy, Inc.
Well Name & Number: _	OU GB #3W-9-8-22
API Number:	43-047-34763
Lease Number:	U - 74494
Location: <u>NESW</u> S	ec. 9 T. 8S R. 22E
Agreement:	White River WS MV B

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease that will entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

Casing Program and Auxiliary Equipment

As a minimum requirement, the cement behind the production casing must extend 200' above the top of the Green River Formation identified at ± 2927 '.

Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

COAs Page 2 of 3 Well No.: OU GB 3W-9-8-22

Other Information

Please submit an electronic copy of all logs run on this well in LAS format. This submission will supercede the requirement for submittal of paper logs to the BLM.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman

(435) 828-7874

Petroleum Engineer

Kirk Fleetwood

(435) 828-7875

Petroleum Engineer

BLM FAX Machine (435) 781-4410

COAs Page 3 of 3 Well No.: OU GB 3W-9-8-22

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

A plastic liner shall be used in the reserve pit. Felt will not be necessary unless blasting is required.

Six inches of topsoil shall be stripped from the location and windrowed as shown on the cut sheet. The topsoil shall then be broadcast seeded with the recommended seed mix immediately after it has been windrowed and the seed walked into the soil with a dozer.

The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be re-contoured and the topsoil re-spread, then the area shall be seed in the same manner as the location topsoil.

Once the location is plugged and abandoned, they shall be re-contoured to natural contours, topsoil re-spread where appropriate, and the entire location seeded with the recommended seed mix. Seeding can be done by broadcasting the seed and walking it in with a dozer. Seeding shall take place immediately after the dirt work is completed.

The seed mix for this location shall be:

Fourwing saltbush
Indian Ricegrass
Oryzopsis hymenoides
Globemallow (scarlet or munroe)

Atriplex canescens
Oryzopsis hymenoides
4 lbs./acre
4 lbs./acre
4 lbs./acre

- -All poundages are in pure live seed.
- -Reseeding may be required if first seeding is not successful.

COAs Page 1 of 3 Well No.: OU GB 3W-9-8-22

CONDITIONS OF APPROVAL APPLICATION FOR PERMIT TO DRILL

Company/Operator:	Shenandoah Energy, Inc.
Well Name & Number:	OU GB #3W-9-8-22
API Number:	43-047-34763
Lease Number:	U - 74494
Location: <u>NESW</u> S	Sec. 9 T. 8S R. 22E
Agreement:	White River WS MV B

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease that will entitle the applicant to conduct operations thereon.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

Casing Program and Auxiliary Equipment

As a minimum requirement, the cement behind the production casing must extend 200' above the top of the Green River Formation identified at ± 2927 '.

Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

COAs Page 2 of 3 Well No.: OU GB 3W-9-8-22

Other Information

Please submit an electronic copy of all logs run on this well in LAS format. This submission will supercede the requirement for submittal of paper logs to the BLM.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman

(435) 828-7874

Petroleum Engineer

Kirk Fleetwood

(435) 828-7875

Petroleum Engineer

BLM FAX Machine (435) 781-4410

COAs Page 3 of 3 Well No.: OU GB 3W-9-8-22

SURFACE USE PROGRAM

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

A plastic liner shall be used in the reserve pit. Felt will not be necessary unless blasting is required.

Six inches of topsoil shall be stripped from the location and windrowed as shown on the cut sheet. The topsoil shall then be broadcast seeded with the recommended seed mix immediately after it has been windrowed and the seed walked into the soil with a dozer.

The topsoil from the reserve pit shall be stripped and piled separately near the reserve pit. When the reserve pit is closed, it shall be re-contoured and the topsoil re-spread, then the area shall be seed in the same manner as the location topsoil.

Once the location is plugged and abandoned, they shall be re-contoured to natural contours, topsoil re-spread where appropriate, and the entire location seeded with the recommended seed mix. Seeding can be done by broadcasting the seed and walking it in with a dozer. Seeding shall take place immediately after the dirt work is completed.

The seed mix for this location shall be:

Fourwing saltbush Atriplex canescens 4 lbs./acre
Indian Ricegrass Oryzopsis hymenoides 4 lbs./acre
Globemallow (scarlet or munroe) Sphaeralcea coccinea or munroana 4 lbs./acre

- -All poundages are in pure live seed.
- -Reseeding may be required if first seeding is not successful.



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office P.O. Box 45155 Salt Lake City, UT 84145-0155

IN REPLY REFER TO UT-922

June 9, 2003

QEP Uinta Basin, Inc. 1050 17th Street, Suite 500 Denver, Colorado 80265

Re:

White River Unit Uintah County, Utah

Gentlemen:

On May 30, 2003, we received an indenture dated February 1, 2003, whereby Shenandoah Energy, Inc. changed it name and QEP Uinta Basin, Inc. was designated as Successor Unit Operator for the White River Unit, Uintah County, Utah.

This indenture was executed by all required parties and the signatory parties have complied with Sections 5 and 6 of the unit agreement. The instrument is hereby approved effective June 9, 2003. In approving this designation, the Authorized Officer neither warrants nor certifies that the designated party has obtained all required approval that would entitle it to conduct operations under White River Unit Agreement.

Your nationwide (Eastern States) oil and gas bond No. B000024 will be used to cover all operations within the White River Unit.

It is requested that you notify all interested parties of the name change of unit operator. Copies of the approved instruments are being distributed to the appropriate federal offices, with one copy returned herewith.

Sincerely,

/s/ Robert A. Henricks

Robert A. Henricks Chief, Branch of Fluid Minerals

Enclosure

pee.

Field Manager - Vernal (w/enclosure)

SITLA

Division of Oil, Gas & Mining Minerals Adjudication Group

File - White River Unit (w/enclosure)

Agr. Sec. Chron Fluid Chron

UT922:TAThompson:tt:6/9/03

OPERATOR CHANGE WORKSHEET

007

ROUTING

1. GLH

2. CDW

3. FILE

Change of Operator (Well Sold)

Designation of Agent/Operator

X Operator Name Change

Merger

The operator of the well(s) listed below has changed, effective:	2/1/2003				
FROM: (Old Operator):	TO: (Nev	v Operator):			
N4235-Shenandoah Energy Inc 11002 E 17500 S Vernal, UT 84078-8526	N2460-QE 110	P Uinta Basin Inc 02 E 17500 S nal, UT 84078-8526			
Phone: (435) 781-4341	Phone:	(435) 781-4341			
CA No.	Unit:	WHITE RIVER UNIT			

WELL(S) NAME	SEC	TWN	RNG	API NO	ENTITY	LEASE	WELL	WELL	Confid
					NO	TYPE	TYPE	STATUS	
OU GB 13W-4-8-22	04	080S	220E	4304734752	<u> </u>	E-d1	CW	4.00	_
OU GB 11W-4-8-22	04			4304734752	 	Federal	GW	APD	C
OU GB 3W-4-8-22	04		+	4304734761		Federal Federal	GW GW	APD APD	C C
OU GB 4W-4-8-22	04	080S		4304734807		Federal	GW	APD	C
OU GB 5W-4-8-22	04	080S	+	4304734808		Federal	GW	APD	C
OU GB 6W-4-8-22	04			4304734809	 	Federal	GW	APD	C
OU GB 9W-9-8-22	09			4304734650		Federal	GW	APD	C
OU GB 10W-9-8-22	09	080S	220E	4304734651	13730	Federal	GW	P	C
OU GB 12W-9-8-22	09	080S	220E	4304734652	13712	Federal	GW	TA	C
OU GB 11W-9-8-22	09	080S	220E	4304734653		Federal	GW	APD	С
OU GB 16W-9-8-22	09	080S	220E	4304734679	13729	Federal	GW	P	C
OU GB 5W-9-8-22	09	080S	220E	4304734753		Federal	GW	APD	C
OU GB 3W-9-8-22	09	080S	220E	4304734763		Federal	GW	APD	С
OU GB 11W-10-8-22	10	080S	220E	4304734691	†	Federal	GW	APD	C
OU GB 12W-10-8-22	10	080S	220E	4304734769	13864	Federal	GW	DRL	C
WRU EIH 14W-26-8-22	26	080S	220E	4304734835		Federal	GW	DRL	C
WRU EIH 11W-26-8-22	26	080S	220E	4304734836		Federal	GW	APD	C
WRU EIH 6W-35-8-22	35	080S	220E	4304734684		Federal	GW	DRL	C
			ļ						
	i	1	1		1)	1	1	1

OPERATOR CHANGES DOCUMENTATION

Enter	date	after	each	listed	item	İS	comp	leted
-------	------	-------	------	--------	------	----	------	-------

1. (R649-8-10) Sundry or legal documentation was received from the FORMER operator on: 6/2/20

2. (R649-8-10) Sundry or legal documentation was received from the NEW operator on: 6/2/2003

3. The new company was checked on the Department of Commerce, Division of Corporations Database on:

6/19/2003

4. Is the new operator registered in the State of Utah: YES Business Number: 5292864-0151

5. If NO, the operator was contacted contacted on:

6. (R649-9-2)Waste Management Plan has been received on:	IN PLACE	• .
7.	Federal and Indian Lease Wells: The BLM and or the BIA or operator change for all wells listed on Federal or Indian leases on:	has approved 7/21/2003	the merger, name change,
8.	Federal and Indian Units: The BLM or BIA has approved the successor of unit operator for we	ells listed on:	7/21/2003
9.	Federal and Indian Communization Agreements ("CA The BLM or BIA has approved the operator for all wells listed within	•	n/a
10	. Underground Injection Control ("UIC") The Division for the enhanced/secondary recovery unit/project for the water dispose		UIC Form 5, Transfer of Authority to Inje n: <u>n/a</u>
D.	ATA ENTRY:		•
1.	Changes entered in the Oil and Gas Database on:	9/11/2003	
2.	Changes have been entered on the Monthly Operator Change Sprea	d Sheet on:	9/11/2003
3.	Bond information entered in RBDMS on:	n/a	
4.	Fee wells attached to bond in RBDMS on:	n/a	- ·
 S7	ATE WELL(S) BOND VERIFICATION:	· · · · · · · · · · · · · · · · · · ·	
1.	State well(s) covered by Bond Number:	965-003-032	
	EDERAL WELL(S) BOND VERIFICATION: Federal well(s) covered by Bond Number:	ESB000024	
IN	DIAN WELL(S) BOND VERIFICATION:		
1.	Indian well(s) covered by Bond Number:	799446	
	CE WELL(S) BOND VERIFICATION: (R649-3-1) The NEW operator of any fee well(s) listed covered by Bo	ond Number 9	965-003-033
	The FORMER operator has requested a release of liability from their be The Division sent response by letter on:	ond on: n/a	n/a
	CASE INTEREST OWNER NOTIFICATION: (R649-2-10) The FORMER operator of the fee wells has been contacted of their responsibility to notify all interest owners of this change on:	ed and informed b	by a letter from the Division
CC	MMENTS:		

SEI (N4235) to QEP (N2460)

well_name	Se		R	api DOGM	Entity			stat		unit_name
OU GB 9W-9-8-22	09	080S	220E	4304734650		Federal	GW	APD	C	WHITE RIVER
OU GB 10W-9-8-22	09	080S	220E	4304734651	13730	Federal	GW	P	C	WHITE RIVER
OU GB 12W-9-8-22	09	080S	220E	4304734652	13712	Federal	GW	TA	C	WHITE RIVER
OU GB 11W-9-8-22	09	080S	220E	4304734653		Federal	GW	APD	С	WHITE RIVER
OU GB 16W-9-8-22	09	080S	220E	4304734679	13729	Federal	GW	P	C	WHITE RIVER
WRU EIH 6W-35-8-22	35	080S	220E	4304734684	13544	Federal	GW	DRL	C	WHITE RIVER
OU GB 11W-10-8-22	10	080S	220E	4304734691		Federal	GW	APD	C	WHITE RIVER
OU GB 13W-4-8-22	04	080S	220E	4304734752		Federal	GW	APD	C	WHITE RIVER
OU GB 5W-9-8-22	09	080S	220E	4304734753		Federal	GW	APD	C	WHITE RIVER
OU GB 11W-4-8-22	04	080S	220E	4304734761		Federal	GW	APD	C	WHITE RIVER
OU GB 3W-9-8-22	09	080S	220E	4304734763		Federal	GW	APD	C	WHITE RIVER
OU GB 12W-10-8-22	10	080S	220E	4304734769	13864	Federal	GW	DRL	C	WHITE RIVER
OU GB 3W-4-8-22	04	080S	220E	4304734806		Federal	GW	APD	C	WHITE RIVER
OU GB 4W-4-8-22	04	080S	220E	4304734807		Federal	GW	APD	C	WHITE RIVER
OU GB 5W-4-8-22	04	080S	220E	4304734808		Federal	GW	APD	C	WHITE RIVER
OU GB 6W-4-8-22	04	080S	220E	4304734809		Federal	GW	APD	C	WHITE RIVER
WRU EIH 14W-26-8-22	26	080S	220E	4304734835	12528	Federal	GW	DRL	C	WHITE RIVER
WRU EIH 11W-26-8-22	26	080S	220E	4304734836		Federal	GW	APD	C	WHITE RIVER

Form_3160-5 (August 1999)

TED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED OMB NO. 1004-0135 Expires: November 30, 2000

5. Lease Serial No. UTU-74494

SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill or to re-enter an

6 If Indian Allottee or Tribe Name

J U S abandoned wel	i. Use form 3160-3 (APD) foi	r such proposals.		o. If malan, Another of	Thoe Name
SUBMIT IN TRI	PLICATE - Other instructions	on reverse side.		7. If Unit or CA/Agree WHITE RIVER	ment, Name and/or No.
Type of Well	er	CONFIDEN	TIAI	8. Well Name and No. OU GB 3W-9-8-22	
Name of Operator QEP - UINTA BASIN INC	Contact: RALE	EEN SEARLE il: raieen.searle@questar.co	om	9. API Well No. 43-047-34763	
3a. Address 11002 EAST 17500 SOUTH VERNAL, UT 84078	Ph:	Phone No. (include area code) 435.781.4309 435.781.4329)	10. Field and Pool, or I WHITE RIVER	Exploratory
4. Location of Well (Footage, Sec., T.	, R., M., or Survey Description)			11. County or Parish, a	and State
Sec 9 T8S R22E NENW 660F	NL 2314FWL			UINTAH COUNT	ry, ut
12. CHECK APPE	ROPRIATE BOX(ES) TO INC	DICATE NATURE OF 1	NOTICE, RE	PORT, OR OTHER	R DATA
TYPE OF SUBMISSION		TYPE OI	FACTION		
Notice of Intent	☐ Acidize	☐ Deepen	☐ Production	on (Start/Resume)	☐ Water Shut-Off
	☐ Alter Casing	☐ Fracture Treat	☐ Reclamat	tion	☐ Well Integrity
☐ Subsequent Report	□ Casing Repair	□ New Construction	☐ Recompl	ete	Other
☐ Final Abandonment Notice	☐ Change Plans	☐ Plug and Abandon	□ Tempora	rily Abandon	
	☐ Convert to Injection	☐ Plug Back	□ Water Di	sposal	
COPY SENT TO OPERATOR Date: 12-1-03 initials: 177-03	App Uta	roved by the h Division of as and Mining	GB 3W-9-8-2	RECEI NOV 2 5 2 DIV. OF OIL, GAS	VED 2003 & MINING
14. I hereby certify that the foregoing is	Electronic Submission #25362 For QEP - UINTA	A BASIN INC, sent to the	Vernal		
Name (Printed/Typed) RALEEN	SEARLE N	Title REGUL	ATORY AFF	AIRS ANALYST	
Signature (Electronic S	Submission)	Date 11/20/2	003		
	THIS SPACE FOR F	EDERAL OR STATE	OFFICE US	E	
Approved By		Title		Date	
Conditions of approval, if any, are attache certify that the applicant holds legal or equivalent would entitle the applicant to conduct the conduction of th	uitable title to those rights in the subject operations thereon.	ct lease Office			· · · · · · · · · · · · · · · · · · ·
Fitle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent	U.S.C. Section 1212, make it a crime	for any person knowingly and	willfully to mal	ce to any department or	agency of the United

Application for Permit to Drill Request for Permit Extension Validation

Validation
(this form should accompany the Sundry Notice requesting permit extension)

API: 43-047-34763 Well Name: OU GB 3W-9-8-22 Location: 660' FNL, 2314 FWL Company Permit Issued to: Onto Original Permit Issued:	
The undersigned as owner with above, hereby verifies that the ir	legal rights to drill on the property as permitted in the previously nains valid and does not require revision.
Following is a checklist of some verified.	items related to the application, which should be
If located on private land, has th agreement been updated? Yes [e ownership changed, if so, has the surface ⊒No <i>I</i> ☑
Have any wells been drilled in the spacing or siting requiremen	ne vicinity of the proposed well which would affect ts for this location? Yes□ No ☑
Has there been any unit or other permitting or operation of this pro-	agreements put in place that could affect the oposed well? Yes⊡No⊡
Have there been any changes to of-way, which could affect the pr	o the access route including ownership, or right- roposed location? Yes □ No ☑
Has the approved source of wat	er for drilling changed? Yes□No☑
	nanges to the surface location or access route ans from what was discussed at the onsite
Is bonding still in place, which co	overs this proposed well? Yes ☑No □
Kallen Scale	11/20/2003
Signature	Date
Title: REGULATORY AFFAIRS AN	ALYST
Representing: QEP UINTA BASIN	N, INC.

STATE OF UTAH

CONF	IDENT	IAL
		FORM 9

009	DEPARTMENT OF NATURAL RESOURCE DIVISION OF OIL, GAS AND MINI		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-74494
SUNDR	6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A 7. UNIT or CA AGREEMENT NAME:		
Do not use this form for proposals to drill drill horizontal 1. TYPE OF WELL OIL WELL	8. WELL NAME and NUMBER: OUGB 3W-9-8-22		
2. NAME OF OPERATOR: QEP UINTA BASIN, INC. 3. ADDRESS OF OPERATOR:	9. API NUMBER: 4304734763 10. FIELD AND POOL, OR WILDCAT:		
11002 E. 17500 S. 4. LOCATION OF WELL FOOTAGES AT SURFACE: 660' F	FNL 2314' FWL	1078 (435) 781-4	COUNTY: UINTAH
QTR/QTR, SECTION, TOWNSHIP, RA	NGE, MERIDIAN: NENW 9 8S 22E	.	STATE: UTAH
11. CHECK APP TYPE OF SUBMISSION	ROPRIATE BOXES TO INDICATE	NATURE OF NOTICE	
NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	ACIDIZE ALTER CASING CASING REPAIR CHANGE TO PREVIOUS PLANS CHANGE TUBING CHANGE WELL NAME CHANGE WELL STATUS COMMINGLE PRODUCING FORMATIONS CONVERT WELL TYPE	DEEPEN FRACTURE TREAT NEW CONSTRUCTION OPERATOR CHANGE PLUG AND ABANDON PLUG BACK PRODUCTION (START/RESUM RECLAMATION OF WELL SITE RECOMPLETE - DIFFERENT FO	REPERFORATE CURRENT FORMATION SIDETRACK TO REPAIR WELL TEMPORARILY ABANDON TUBING REPAIR VENT OR FLARE WATER DISPOSAL WATER SHUT-OFF OTHER: APD EXTENSION
	ompleted operations. Clearly show all perturbed reducests a 1 year extension on Approved to Utah Division, Gas and Date:	the APD for the OUGE by the	
NAME (PLEASE PRINT) John Bus	ch	TITLE Operation	ns

(This space for State use only)

RECEIVED AUG 27 2004



Application for Permit to Drill Request for Permit Extension Validation

(this form should accompany the Sundry Notice requesting permit extension)

	n.v-an-		
Date Original Permit Is			
above, hereby verifies t	that the information as su	ill on the property as permit bmitted in the previously loes not require revision.	tted
Following is a checklist verified.	of some items related to	the application, which shou	uld be
If located on private lan agreement been update		anged, if so, has the surface	9
	rilled in the vicinity of the quirements for this location	proposed well which would on? Yes⊟No⊠	affect
	it or other agreements pu of this proposed well? Ye	t in place that could affect t es□No☑	the
	nanges to the access rou ect the proposed location	te including ownership, or r ? Yes⊟ No ☑	ight-
Has the approved source	ce of water for drilling cha	anged? Yes⊡No⊠	
	nge in plans from what w	rface location or access rou as discussed at the onsite	ute
Is bonding still in place,	which covers this propos	sed well? Yes⊠No□	
Signature	ah	8/24/2004 Date	_
Title: OPERATIONS			
Representing: QEP UIN	NTA BASIN, INC.		RECEIVED



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Vernal Field Office 170 South 500 East Vernal, UT 84078

(435) 781-4400 Fax: (435) 781-4410

http://www.blm.gov/utah/vernal



December 22, 2004

Jan Nelson QEP-Uinta Basin, Inc. 11002 East 17500 South Vernal, UT 84078

Re: Notification of Expiration

Well No. OU GB 3W-9-8-22 NENW, Sec. 9, T8S, R22E Uintah County, Utah Lease No. UTU-74494 White River WS MV B

Dear Ms. Neison:

The Application for Permit to Drill the above-referenced well was approved on December 4, 2002. A one (1) year extension of the original APD was requested. The request was reviewed and the extension approved until December 5, 2004. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Leslie Walker

Legal Instruments Examiner

slie Walker

RECEIVED

DEC 2 / 2004

DIV. OF OIL, GAS & MINING

cc:

UDOGM



State of Utah

Department of Natural Resources

ROBERT L. MORGAN Executive Director

Division of Oil, Gas & Mining

MARY ANN WRIGHT Acting Division Director OLENE S. WALKER Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

January 4, 2005

Jan Nelson QEP Uinta Basin Inc. 11002 East 17500 South Vernal, Utah 84078

Re:

<u>APD Rescinded – OU GB 3W-9-8-22, Sec. 9, T. 8S, R. 22E</u> <u>Uintah County, Utah API No. 43-047-34763</u>

Dear Ms. Nelson:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on November 4, 2002. On November 25, 2003 the Division granted a one-year APD extension. On December 28, 2004, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective December 28, 2004.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

V daw Whitney

Engineering Technician

cc: Well File

Bureau of Land Management, Vernal

